Winter Heating Tips <u>Click here</u> . CPUC Approves Plan to Continue Gas Public Purpose Programs Through 2012

You may have recently received information from Southern California Gas Company (SoCalGas®) regarding the sweep of up to \$155 million of natural gas energy-efficiency funds to the State's General Fund as a result of the most recent State budget.

We are not done with our efforts to ensure the longevity of our energy-efficiency programs as we must find a way to keep the State from sweeping funds in future years. One positive step is that on Thursday, October 06, 2011, the California Public Utilities Commission (CPUC) approved a plan to continue the gas public purpose programs and backstop the \$155 million that was swept by allowing SoCalGas to use unspent funds from previous program years. We are encouraged that the Commissioners recognize that the state's energy efficiency goals cannot be accomplished without natural gas energy efficiency programs. This decision means that SoCalGas will have the necessary funding to continue our current programs at least through the end of 2012. Our intent has always been to ensure that we have the appropriate funding to continue to help you adopt or maintain energy-efficient practices in your business and now we believe we will be able to continue to do that.

Again, we are not done with our efforts to ensure the longevity of our energy-efficiency programs in future years. We will continue to explore options to protect future funding and will, from time-to-time, let you know of our progress.

Below is a recap of what has happened to date:

- In July, Governor Brown signed a budget that authorized a diversion of \$155 million energy efficiency funding to the state's General Fund.
- The impacted utilities in California worked with Senator Rod Wright to support a bill, SB939. This was the first time we asked for your support on this matter. SB 939 would have changed how natural gas energy efficiency funds were collected in a way that would bypass the state Board of Equalization. SB939 was left in the suspense file in the Assembly Appropriations Committee, so it never came up for a vote.
- Our next effort was to insert the same language into another bill, Senator Padilla's SB870. This was the second time we asked for your support. SB870 was packaged with AB724 to reauthorize the electric Public Goods Charge which expires in 2012. The Public Goods Charge funds part of electric energy efficiency, electric RD&D, and some renewable programs. This time, the bills did come up for a vote; SB870 passed the senate, but AB724 did not pass the assembly.
 - Because AB724 did not pass, neither bill was sent to the Governor to be signed into law.

We hope that you are as pleased as we are with the CPUC's approval of a plan to continue the gas energy efficiency programs and backstop the \$155 million that was swept by allowing SoCalGas to use unspent funds from previous program years. We are looking forward to the continued opportunity to serve you in all of your energy-efficiency needs.

Updated Earthquake Preparedness Information

Important Information on Detecting and Reporting Gas Leaks

Important Safety Information



Record-Breaking Year for Supporting Supplier Diversity

2010 was a record-breaking year for The Gas Company's supplier diversity program. We put nearly \$230 million in goods and services from women-, minority-, and service-disabled, verowned businesses. This represents over 37 percent of our total purchases and a nearly 14 princrease over 2009.

Our supplier diversity program brings us the most capable and responsive mix of suppliers, while increasing competition, which helps to reduce costs. During 2010, The Gas Company purchased a broad range of products and services from diverse suppliers, including natural gas supplies, energy efficiency services, pipeline construction services, legal services, and advertising and marketing services.

One of our biggest accomplishments in 2010 was surpassing our Service Disabled Veteran (DVBE) procurement goal for the first time. The Gas Company procured nearly \$14 million in goods and services from DVBEs, almost tripling our 2009 spend of just over \$5 million.

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We always seek qualified r suppliers who can help strour supplier base and reso Learn more about how quabusinesses owned by mino women, and service-disabuterans can participate in procurement process.

We also spent over \$38 million with minority women-owned businesses, an increase of mor 120 percent over 2009, and increased our legal spending to almost 55 percent diverse businenterprises - among the best in the industry.

The Gas Company is proud of these results. And, we are proud of our long-standing commit develop a diverse supplier base that reflects the communities in which we operate.

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